

Dyersburg/Dyer County Chamber of Commerce

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August 7, 2002

Ms. Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville TN 37243-0505

Dear Ms. Kyle:

I am writing to express my support of BellSouth's proposal to enter into the long distance market and to encourage you to grant them the right to compete in this market. I believe your approval would benefit the people of Tennessee and would have a positive impact on the business climate in the state. I ask you to consider the following points:

Compliance

- BellSouth has complied with all requirements to open its local market, as defined by Congress in The Telecommunications Act of 96 and implemented by the FCC.
- BellSouth has earned the right to compete in the long distance market.

Customer savings

- BellSouth entry into long distance will result in lower overall phone bills for customers.
- Every day that BellSouth is forced to remain on the sidelines, Tennessee consumers lose money due to unrealized savings.
- Steven Pociask's study "Competition and Consumer Benefits: A Quantitative Assessment of In-region BellSouth Long-Distance Market" says Tennesseans are losing up to \$493 M a year. This has been documented independently in states where the former Bell Company has been allowed to provide long distance service.
- Two surveys released on May 8, 2001, by the Telecommunications Research and Action Center (TRAC), the nation's leading telecommunications focused consumer group, suggest that New Yorkers will save up to \$700 million on long-distance and local telephone service.
- TRAC's recent study showed that since Verizon entered the long-distance market in New York, consumers enjoy savings unavailable to consumers in other parts of the country.
- TRAC compared six different carriers and eight different local calling plans.
- TRAC estimates that competition in the New York and Verizon markets will bring between \$84-\$324 of savings a year for each New York customer.

Competition

- BellSouth entry into long distance will bring real competition to an industry dominated by only three companies. This has been demonstrated in the states that have received FCC approval.
- Local competition is alive and well in Tennessee. Approximately 100 companies are currently offering competitive local service and about 75 others are authorized by the Tennessee Regulatory Authority.
- Competition will increase - particularly in the residential market - when companies develop new pricing and service packages in response to BellSouth's entry into long distance.

Fairness to customers/Choice

Customers of all other local telephone companies can receive both local and long distance services from their local company. BellSouth is the only local company prohibited by law from offering its customers that opportunity.

Economic impact

- BellSouth entry into long distance will encourage continued infrastructure development and capital investment in Tennessee.

Regional OSS

- Extensive testing by KPMG Consulting, under the supervision of the Georgia PSC, proved that the computer systems supporting local competition throughout the region are fair for all providers.
- PricewaterhouseCoopers also performed independent entry system tests of BellSouth's former five South Central Bell states, and their attestation report should eliminate any concerns that competitors may have that the entry systems in those states do not correspond. No further testing is necessary in Tennessee.

Local Commitment

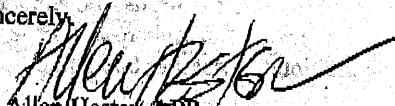
- BellSouth has built a communications network throughout Tennessee that is second to none.
- The strength and dependability of BellSouth's network has proven for the State in supporting sustainable economic growth and in weathering natural disasters such as tornadoes and ice storms.
- Tennessee is home to some 7,500 BellSouth employees and 6,000 retirees. In addition, more than 20,000 BellSouth stockholders live in Tennessee.

TRA - Solid Foundation for Competition

- The Tennessee Regulatory Authority has laid a solid foundation through its actions during the past six years of making sure BellSouth is in full compliance with the letter and full intent of the 1996 Telecom Act.

Thank you for your consideration in this matter.

Sincerely,


W. Allen Hester, APR
President & CEO